

Date: April 18, 2001

To: DWSE Staff

Through: Robert W. Hicks, Director
Office of Environmental Health

Robert B. Taylor, P.E., Director
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From: G. W. Peaks, P.E., Technical Services Administrator
Division of Water Supply Engineering

Subject: Water – Procedure – Permits – Permit Application/Comprehensive Business
Plan – Non community

Reference: WM 784

Purpose: To provide a simplified version of the Financial Portion of a Comprehensive Business Plan tailored to non community waterworks.

It is important that non community waterworks demonstrate that they recognize themselves as a waterworks and have a budget that will cover the waterworks' expenses.

The 6 year budget submittal requirement (the financial section- part C.5 of our package) can be simplified for them by inserting a line item in their normal business budget to recognize the waterworks as an expense, e.g., "waterworks-total expenses".

To calculate the "waterworks - total expenses", they use the attached list showing those items from our original package (WM 784) that they need to address [*italicized and bold items only*]. References are made to the line item instructions in our original package. The "waterworks - total expenses" will be those not covered elsewhere in their normal business budget. Such items as electric power, staffing, office supplies, etc. may be in their normal budget to run the business. If appropriate, they need to state that the item is budgeted elsewhere and no separate dollar figures are required. The owner will submit this list showing appropriate dollar values thereon and other required information to VDH.

No reserves will be required for a non community waterworks and household income is not relevant. Also, no projection of water revenue is needed for a non community.

Therefore, Analysis #1 will be the test a non community waterworks must pass.

GWP/TBG/teh

Six Year Operating Budget (Worksheet 1)

Line No		Projected Year 1	Actual 0-6 months	Year 1 7-12 months	Projected Year 2	Actual Year 2 0-6 months	7-12 months	Year 3	Year 4	Year 5	Year 6
1	REVENUES										
2	Water										
3	Fees and Service										
4	Other Revenue										
5	TOTAL REVENUES (Add 2-4)										
6	EXPENSES										
7	Operation & Maintenance Expenses										
8	Salaries & Other Benefits (Operator)										
9	Power & Other Utilities										
10	Chemical & Treatment										
11	Monitoring										
12	Materials, Supplies & Parts										
13	Transportation Expenses										
14	Miscellaneous Expenses										
15	Total Operation & Maintenance Expenses (Add 8-14)										
16	<u>General and Administrative Expenses</u>										
17	Salaries & Benefits										
18	Office Supplies & Postage										
19	Insurance - Vehicles, Liability, Workers' Comp										
20	Legal & Accounting										
21	Engineering & Professional Services										
22	Fees										
23	Miscellaneous Expenses (e.g. Training)										
24	Total General Administrative Expenses (Add 17-23)										
25	<u>Depreciation Expense (If Applicable)</u>										
26	TOTAL EXPENSES (Add 15+24+25)										
27	Taxes (Property, B & O, Income)										
28	<u>Annual Debt Payments - Loans/Bonds (Principal & Interest)</u>										
29	Total Outstanding Debt - Loans/Bonds (Principal & Interest)										
30	<u>Capital Improvement Program Expenditures</u>										
31	New CIP Facilities										
32	Renewal & Replacement Facilities										
33	Safe Drinking Water Act Facilities										
34	Non-Facility Costs (e.g. conservation program costs)										
35	<u>Capital Sources</u>										
36	Loan/Bonds Fund										
37	Grants										
38	Special Charges										
39	Withdrawal From Existing Reserves										
40	Net CIP (31+32+33+34)-(36+37+38+39)										
41	<u>Operating Cash Reserve</u>										
42	Minimum Balance (1/8 Line (15 +24)										
43	Annual Installment										
44	Running Balance										
45	<u>Emergency Reserve</u>										
46	Minimum Balance (Cost of Most Vulnerable Facility)										
47	Annual Installment										
48	Running Balance (May be Alternative Financing)										
49	<u>Replacement Reserve</u>										
50	Target Balance (Waterworks Replacement Cost)										
51	Annual Installment										
52	Running Balance										
53	TOTAL REVENUE REQ. (Add 26+27+28+40+43+47+51)										
54	BUDGET SURPLUS (DEFICIT) (Subtract 5-53)										
55	0.015 Annual Median Household Income										
56	Projected Annual Residential Bill (from Worksheet)										